

specified in the Station's construction permit and/or attached contract(s) (Exhibits A and B), or in the event said antenna transmitter site is unavailable, unsuitable or unusable for construction of the Station, for any reason whatsoever, the Buyer shall have the option, to be exercised in its sole discretion, to either: (a) pay one third (1/3) of the purchase price (i.e., 33.33% of \$_____ equals \$_____), or (b) cancel this Agreement and thereby extinguish any and all rights, or obligations either party has to the other. For purposes of this subparagraph 2.c., the determination that the Station's antenna/transmitter site is unsuitable or unusable, for whatever reason, shall be solely that of Buyer.

3.. Payment of Purchase Price. The Purchase Price specified in paragraph 2.a. above shall be paid by Buyer to Seller in cash, or by cashier's check, on the Closing Date specified in paragraph 5, infra.

4. FCC Approval.

a. FCC Approval Required. Consummation of the purchase and sale provided for herein is conditioned upon the FCC having given its consent in writing, without any condition materially adverse to Buyer, to the assignment from Seller to Buyer of all FCC authorizations of Seller relating to the construction and operation of the Station, and said consent having become final. For purposes of this Agreement, such consent shall be deemed to have become final after it is granted

and published and when the time for administrative or judicial review has expired and when the time for the filing of any protest, petition to deny, request for stay, petition for rehearing, or appeal of such order has expired and no protest, petition to deny, request for stay, petition for rehearing or appeal is pending. The parties may mutually agree to waive the requirement that said consent shall have become final.

b. Filing of Application. The parties agree to proceed as expeditiously as practical, to file or cause to be filed an application requesting FCC consent to the transaction herein set forth, and to file said application (i.e., FCC Form 345) with the FCC not later than twenty (20) days after the date of this Agreement. The parties agree that said Application will be prosecuted in good faith and with due diligence. Each party will be solely responsible for the expenses incurred by it in the preparation, filing, and prosecution of the assignment application, and all fees paid to the FCC in connection with the assignment of Station's authorizations from Seller to Buyer will be borne equally by Seller and Buyer.

5. Closing Date and Place. The Closing shall take place within twenty (20) days of the date of the Commission's consent to the assignment of Station to Buyer becomes final (as defined in paragraph 4.a., herein), provided the conditions specified in this Agreement shall have been met, such date to be mutually agreed on by the parties, but within the effective period of the

Commission's consent (the "Closing Date"). The Closing will take place at the offices of Colby M. May, Esq., 1156 15th Street, N.W., Suite 515, Washington, D.C. 20005, or at such other place as Buyer and Seller may select.

6. Seller's Representations and Warranties. Seller represents, warrants, and covenants as follows:

a. Organization and Standing of Seller. Seller is a legally formed and constituted corporation, partnership, limited partnership or joint venture, in good standing under the laws where it is located and doing business, or is a citizen of the United States of America and of the legal age to contract. Seller also holds a valid, issued and unexpired construction permit from the FCC for the Station.

b. Seller's Authority. Except as specifically stated in this Agreement, Seller has full power and authority to sell, transfer, assign, and convey all property herein being sold and assigned, and to execute, deliver and perform this Agreement.

c. Seller Holds Current and Valid FCC Authorizations. Seller has the power and authority to own, construct, and operate the Station and the business and properties related thereto and holds, and on the Closing Date will hold, current and valid authorizations from the FCC which are necessary for Seller to own, construct, and operate the Station. No action or proceeding is pending or, to the knowledge of the Seller, threatened, or on the Closing Date will be threatened or pending, before the FCC or

other governmental or judicial body, for the cancellation, or material and adverse modification, of Station's authorizations.

d. No Material Default in Contractual Commitments.

Seller is not, and on the Closing Date will not be, in material default of any contractual commitment to which it is a party, or by which it is bound, and which is to be assigned to and assumed by Buyer.

e. Good Title to Properties. Seller has, and on the Closing Date will have, clear title and ownership, free of all liens, encumbrances or hypothecations, of all assets and property, rights, leases and contracts being assigned to Buyer hereunder.

f. Claims and Litigation. There is no claim or litigation or proceeding pending or, to the Seller's knowledge, threatened which affects the title or interest of Seller to or in any of the property or assets intended to be sold, assigned, and conveyed hereunder, or which would prevent or adversely affect the ownership, construction, use, or operation of the Station by Buyer.

g. Lease Rights. Seller represents and warrants that it has, and on the Closing Date will have, the right to: (a) construct and/or place the television antenna and all related equipment for the Station on the antenna tower or property identified in the Station's construction permit (Exhibits A & B), and (b) construct and/or place the television transmitter and all

related equipment for the Station in an existing structure on or near the antenna tower or on the site specified in the Station's construction permit (Exhibits A & B).

h. Disclosure. No representation or warranty made by Seller in this Agreement, or any statement or certificate furnished to or to be furnished by the Seller to Buyer pursuant hereto, or in connection with the transactions contemplated hereby contains, or will contain any untrue statement of a material fact or omits, or will omit, to state a material fact necessary to make the statements contained therein not misleading.

7. Buyer's Representations and Warranties. Buyer represents, warrants, and covenants to Seller as follows:

a. Buyer's Organization and Standing. Buyer is a non-profit corporation duly organized and validly existing and in good standing under the laws of the State of California, and possesses all corporate power necessary to construct, own, and operate Station and carry out the provisions of this Agreement.

b. Buyer's Authority. The execution and delivery of this Agreement and the consummation of the purchase of Station provided for herein have been duly and validly authorized by Buyer's board of directors, which possesses the authority under Buyer's articles of incorporation and bylaws to grant such authorization.

c. Disclosure. No representation or warranty made by Buyer in this Agreement, or any statement or certificate furnished to, or to be furnished by, Buyer to Seller pursuant hereto, or in connection with the transaction contemplated hereby, contains, or will contain, any untrue statement of a material fact, or omits, or will omit, to state a material fact necessary to make the statements contained therein not misleading.

8. Risk of Loss. Risk of loss, damage, or destruction to the property and assets to be sold and conveyed hereunder shall be upon the Seller until the Closing Date, and after Closing is consummated upon the Buyer.

9. Access to Information. Seller shall accord access, during normal business hours prior to Closing, to Buyer or its designated representative to review Seller's physical properties, contracts to be assumed by Buyer, and accounting records which pertain exclusively to the Station.

10. Brokers. Buyer and Seller hereby represent and warrant to the other that neither is bound or obligated to pay any sales Commission, brokers or finders fees in connection with the transaction contemplated herein.

11. Indemnification by Seller. Seller shall indemnify and hold harmless Buyer against and in respect of:

a. Operations Prior to Closing. Any and all liabilities, obligations, claims, and demands arising out of:

the right to construct, own, or operate the Station (including, but not limited to, claims related to compliance with FCC rules and regulations), any breach by Seller of this Agreement, or any inaccuracy in or breach of any representation, warranty, or covenant made by Seller herein.

b. Defense. Should any claim covered by the foregoing indemnity be asserted against Buyer, Buyer shall notify Seller promptly and give it an opportunity to defend the same and Buyer shall extend reasonable cooperation to Seller in connection with such defense. In the event that Seller fails to defend the same within a reasonable time, Buyer shall be entitled to assume, but need not assume, the defense thereof and Seller shall be liable to repay Buyer for all damages suffered by Buyer and all of its expenses reasonably incurred in connection with such defense (including, but not limited to, reasonable attorney fees and settlement payments).

12. Indemnification by Buyer. Buyer shall indemnify and hold harmless Seller against and in respect of:

a. Operations after Closing. Any and all liabilities, obligations, claims, and demands arising after the Closing Date out of the construction or operation of the Station, the breach or non-performance by Buyer of contractual commitments assumed by Buyer hereunder, or any other operations of Buyer after the Closing Date, or any breach by Buyer of this Agreement or any inaccuracy in or breach by Buyer of this Agreement or any

inaccuracy in or breach of any representation, warranty, or covenant made by Buyer herein.

b. Defense. Should any claim covered by the foregoing indemnity be asserted against Seller, Seller shall notify Buyer promptly and give it an opportunity to defend the same, and Seller shall extend reasonable cooperation to Buyer in connection with such defense. In the event Buyer fails to defend the same within a reasonable time, Seller shall be entitled to assume, but need not assume, the defense thereof, and Buyer shall be liable to repay Seller for all damages suffered by Seller and all its expenses reasonably incurred in connection with such defense (including, but not limited to, reasonable attorney's fees and settlement payments).

13. Conditions Precedent to Buyer's Obligations to Close. Buyer shall not be obligated to close under this Agreement unless and until the following conditions have been met:

a. The FCC shall have given its consent to the assignment of FCC authorizations to construct and operate the Station from Seller to Buyer and said consent shall have become final as set forth in paragraph 4.a. herein.

b. Seller shall have performed and complied with all the agreements, obligations, and conditions required by this Agreement to be performed or complied with by it, prior to or as of the Closing Date.

c. Seller shall hold a valid, current, and unexpired construction permit for the Station.

d. The representations and warranties of Seller set forth in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same effect as if made on and as of the Closing Date.

14. Conditions Precedent to Seller's Obligations to Close. Seller shall have no obligation to close this Agreement unless and until the following conditions precedent are met:

a. The FCC has given its consent to the assignment of the FCC authorizations to construct and operate the Station from Seller to Buyer and said consent shall have become final as set forth in paragraph 4.a herein.

b. The representations and warranties of Buyer as set forth in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same effect as if made on and as of the Closing Date.

c. Buyer shall have performed and complied with all the agreements, obligations, and conditions required by this Agreement to be performed or complied with by it, prior to or at the Closing Date.

15. Buyer's Performance at Closing. At the Closing, Buyer will:

a. Pay to Seller the purchase price as described and/or calculated in paragraph 2 herein.

b. Deliver to Seller such instruments as Seller may reasonably require in order to consummate the transactions provided for in this Agreement.

c. Deliver to Seller a certified copy of a resolution of Buyer's board of directors authorizing the consummation of the transactions provided for in this Agreement.

16. Seller's Performance at Closing. At the Closing, Seller shall:

a. Deliver to Buyer the FCC authorizations listed in Exhibit A, together with such assignments of the same as Buyer may reasonably require.

b. Deliver to Buyer such assignments and further instruments of conveyance as Buyer may reasonably require to effectuate the assignment from Seller to Buyer of the Station and assets being transferred and assigned herein, including the rights specified in paragraph 1.d. herein.

17. Survival of Warranties. All representations, warranties, and covenants made by the parties in this Agreement shall be deemed made for the purpose of inducing the other to enter into this Agreement and shall survive the Closing and remain operative in full force and effect regardless of any investigation at any time made by either and shall not be deemed merged into any document or instrument executed or delivered at the Closing.

18. No Assignment. This Agreement may not be assigned by Buyer without Seller's prior written consent.

19. Term.

a. Term of Agreement. This Agreement shall be in effect for a term commencing on the date of this Agreement and terminating at 12:00 midnight eighteen (18) months later. In the event the Closing of this transaction shall not take place within the time limit hereinabove set forth solely by reason of the inability of Seller or Buyer to provide the various consents and approvals as set forth in paragraph 4 herein, then this Agreement shall automatically terminate and both parties shall be relieved of any further liability or obligations hereunder.

b. Termination on Notice for Hearing. If the Commission designates the application contemplated by this Agreement for hearing by action no longer subject to reconsideration or administrative review, either party shall have the option of terminating this Agreement by written notice to the other party prior to the commencement of the hearing, and in such an event this Agreement shall terminate at the option of either party and both parties shall then be relieved of any and all liabilities or obligations hereunder.

20. Specific Performance. The parties recognize the uniqueness of the Station and the assets, authorizations, and attributes that are associated with its operation, and for that reason agree that Buyer shall have the right to specific

21. Notices. Any notices, requests, demands, or consents required or permitted to be given hereunder shall be in writing, sent by certified or registered mail, postage prepaid, or by prepaid telegram, confirmed by mail, as follows:

With Copy to:

With Copy to:

or to such other addresses as either party may designate from time to time by written notice to the other party.

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23. Construction. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

24. Entire Agreement. This Agreement supersedes all prior agreements and understandings between the parties and may not be changed or terminated orally, and no attempted change, termination, amendment, or waiver of any of the provisions hereof shall be binding unless in writing and signed by both parties.

25. Counterparts. This Agreement may be executed in several counterparts, all of which when taken together shall constitute one Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

SELLER:

WITNESS:

By _____ By: _____

BUYER:

WITNESS:

By _____ By: _____

Allan Brown
Assistant Secretary

APPENDIX B

10-17-91

Filing Fee each LPTV \$ 375.

Cost of Filing 5 LPTV license applications - Red Lion, Lancaster Lebanon.

Filing Fee 5 x \$ 375 \$ 1875.

Bob Hoover \$ 7275.

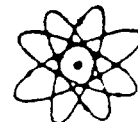
Telso \$ 1092.01

Cohen + Berfield \$ 5222.03

Total \$ 15,464.04

APPENDIX C

RAYSTAY CO.



P. O. BOX 38

CARLISLE, PA 17013

(717) 245-0040

BROADBAND COMMUNICATIONS - CATV

CERTIFICATION OF EXPENSES

I, David A. Gardner, hereby certify that I am in management at Raystay Co. and am familiar with the expenses incurred by Raystay in obtaining the construction permit being assigned, which expenses are:

Cohen and Berfield, P.C.	
Legal Fees	\$ 7,698.00
Robert Hoover	
Engineering Fees	2,425.00
FCC Filing Fees	<u>375.00</u>
	\$10,498.00

Date: Jan 6 1992

David A. Gardner
David A. Gardner

ORIGINAL

Glendale
Ex. 228
Page 1

DIRECT WRITTEN TESTIMONY
OF
LEE H. SANDIFER

1. I am Chief Financial Officer of Raystay Co. (Raystay). George F. Gardner (George Gardner), President of Raystay, assigned to me the responsibility for handling the matter which resulted in the sale of Raystay's construction permit for a new low power television station in Red Lion, Pennsylvania to Grosat Broadcasting, Inc., a company owned by Mr. Grolman of York, Pennsylvania, for reimbursement of expenses in the amount of \$10,000.

2. I initially spoke with Mr. Grolman in the Spring of 1991. Raystay entered into an "LMA" agreement with another party pertaining to Raystay's operating LPTV station in Dillsburg, Pennsylvania, with similar contract rights pertaining to the Red Lion and other construction permits held by Raystay. The "LMA" arrangement was terminated in August 1991, and further discussions were held with Mr. Grolman thereafter. In October 1991 we arrived at a meeting of the minds on a price of \$10,000 for the sale of the Red Lion permit to Mr. Grolman (or his company), recognizing that such a price would have to be supported by reimbursable expenses as provided under FCC rules and regulations.

3. In November and December 1991 the written agreement of sale and purchase was negotiated and finalized. As originally drafted, the agreement provided for a price of \$10,000 or such

Federal Communications Commission

Docket No. 93-75 Exhibit No. 228

Presented by GLENDALE

Disposition	{	Identified	<u>5/3/94</u>
		Received	<u>5/3/94</u>
		Rejected	<u> </u>

Reporter M.K. FLEISHMAN

Date 5/3/94

lesser amount as the FCC might approve. At Raystay's request, this provision was revised to provide Raystay with the option to accept such lesser amount or to terminate the agreement if the FCC did not approve \$10,000. The agreement was signed by me on behalf of Raystay on January 6, 1992. On the same date, I signed the application for FCC approval on behalf of Raystay as the assignor, which was forwarded to Arent, Fox, Kintner, Plotkin & Kahn, counsel for the assignee, for filing with the FCC. It is my understanding that the application was filed on January 14, 1992. It was approved by the FCC and closing was held during the first quarter of 1992.

4. With regard to the foregoing matter, I spoke with George Gardner on at least a half dozen occasions. In the Spring of 1991 there was our initial discussion in which George Gardner gave the assignment to me. I cleared with him the price of \$10,000 in October 1991. I recall confirming with George Gardner that it was his intent for Raystay to proceed with the Red Lion sale to Mr. Grolman's company after I received a memorandum from him dated December 3, 1991 regarding termination of certain negotiations with Trinity Broadcasting Network (Trinity). I reported to George Gardner that the FCC had approved the assignment application and the transaction had closed. On other occasions, I gave George Gardner progress reports on the status of the matter, usually at our meetings in which we discussed various pending projects.

5. While negotiations were in progress with Mr. Grolman regarding the Red Lion construction permit, negotiations were in progress with Trinity as well. Raystay owned and operated a low power television station in Dillsburg, Pennsylvania, and held construction permits for five LPTV construction permits including the Red Lion permit. With my knowledge, David A. Gardner (David Gardner) sent a written proposal to Trinity via facsimile on October 30, 1991. This proposal quoted a price of \$400,000 for the entire package and indicating that if the entire package were not taken, Raystay would entertain discussions regarding transferring the construction permits for the "nominal costs" incurred in transferring them (TBF Ex. 230). Also on October 30, 1991 David Gardner received a telephone offer from Trinity for the purchase of the Dillsburg station for \$150,000 and \$5,000 per construction permit (TBF 231). I indicated to David Gardner that the \$150,000 price was unacceptable. I also indicated to David Gardner that we would continue to develop the potential sale of the Red Lion permit to Mr. Grolman.

6. As we were beginning to deal with concrete dollar offers for the sale and purchase of the construction permits, we needed to develop the actual cost figures for which Raystay was entitled to reimbursement under FCC rules and regulations. David Gardner undertook to secure information from the company files with respect to expenses and provided a listing of expenses dated October 17, 1991 (copy attached as Appendix A). The dollar

amounts on this listing match dollar amounts on invoices addressed to Raystay by Bob Hoover (\$7,275), Telsa (\$1,092.01) and Cohen & Berfield (\$5,222.03), which are attached as Appendices B, C and D, respectively.

7. I directed David Gardner to ask Raystay's Washington law firm, Cohen & Berfield, to develop all expenses that could be reimbursed for all five construction permits. David Gardner spoke with Morton L. Berfield, who faxed a letter dated November 7, 1991 on that subject (TBF Ex. 232). I also spoke with Mr. Berfield on that subject on one or two occasions during this time period.

8. I was the person who negotiated the \$10,000 price for the Red Lion permit, and can say for certain that in so doing there was no intent that such a price would be used for the sale of the other four permits in any manner so as to exceed the reimbursable expenses under the FCC's rules and regulations. For example, if the FCC approved \$10,000 as reimbursable expenses for the Red Lion permit and Raystay's total reimbursable expenses turned out to be \$30,000, the intent was that the cap on the amount for which the other four permits could be sold would have been \$20,000. Or, for another example, if Raystay's total reimbursable expenses turned out to be only \$25,000 and if the FCC approved \$10,000 as reimbursable expenses for the Red Lion permit, the intent was that the cap for the remaining four permits would have been only \$15,000. In fact, none of the other

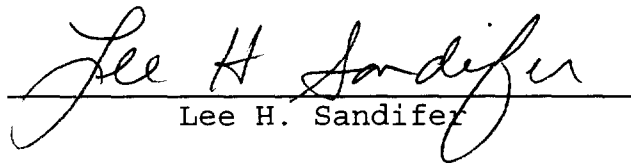
four permits was sold, all were turned in for cancellation and \$10,000 was the total amount of expenses recovered by Raystay for all of the construction permits.

9. Subsequent to the receipt of Mr. Berfield's letter dated November 7, 1991, Cohen & Berfield was requested to provide the expense breakout for the Red Lion permit. This request was probably made by David Gardner at my direction but it could have been made by me in the one or two telephone conversations on this subject that I had with Mr. Berfield. I first saw that breakout when the "Certification of Expenses" was provided to me, along with the FCC application and sale and purchase agreement for signature, on January 6, 1992. I accepted that certification as accurate. It was signed by David Gardner, who advised me that he believed it to be accurate. I knew that the development of the reimbursable expenses had been done by Cohen & Berfield, and I relied on the attorneys both as to the format of the certification and the accuracy of its content.

10. I signed the FCC application in the absence of George Gardner, who was traveling on the West Coast at the time. I was the only corporate officer available and I was the person who had handled the transaction and was familiar with the matter.

Glendale
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Signature Page

The foregoing statements are true and correct to my best
information and belief, and are given under penalty of perjury.


Lee H. Sandifer

APPENDIX A